



CORPORATE SOCIAL RESPONSIBILITY POLICY
OF
HOME CREDIT INDIA FINANCE PRIVATE LIMITED

Approved by the Board of Directors of
Home Credit India Finance Private Limited
On
September 20, 2017

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Whole Time Director/ Chief Executive Officer

INTRODUCTION

Corporate Social Responsibility (CSR) is the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner. Corporate responsibility towards the stakeholders is fast emerging as one of the major considerations for companies in the country. Organisations are gradually shifting their attention towards a wider view of social concerns while conducting their businesses. Corporate Social Responsibility aims at connecting business to the society. The broader objective of CSR is to contribute with a responsibility, towards a better society and a cleaner environment.

It is recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures the long term success, competitiveness and sustainability. Corporate Social Responsibility is strongly connected with the principles of Sustainability. An organization should make decisions based not only on financial factors, but also on the social and environmental consequences.

Further, the Policy on Corporate Social Responsibility is mandatory as per rules issued under the Companies Act 2013 ("Act"). The CSR Policy of Home Credit India Finance Private Limited ("HCIN") is in compliance with Section 135 of the Act and the rules notified thereunder.

This policy is effective from 20 September 2017.

OBJECTIVE

The main objective of CSR Policy is to make Corporate Social Responsibility a key business process for sustainable development of the society. HCIN will act as a good corporate entity and aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of its policy.

CSR Policy intends to:

- Strive for economic development that positively impacts the society at large with a minimal resource footprint.
- Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.

The Policy on CSR of HCIN is broadly framed taking into account the following measures:

- The CSR activities shall be undertaken by the Company, as stated in this Policy, as projects or programs or activities excluding activities undertaken in pursuance of its normal course of business.
- The CSR activities which are exclusively for the benefit of employees of the Company or their family members shall not be considered as CSR activity.
- The Company however may build CSR capacities of their own personnel as well as others who are involved in implementation of CSR activities upto 5% of the total CSR expenditure or such limit as may be amended and in such manner as may be prescribed in the Companies (Corporate Social Responsibility) Rules, 2014 from time to time.

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- The Company shall give preference to the local area or areas around its administrative offices/ training centers for spending the amount earmarked for CSR activities.
- Contribution to any political party of any amount directly or indirectly shall not be considered as CSR activity.
- CSR is neither marketing, nor promoting of our products and services.

The Board of Directors of the Company may, from time to time, decide to undertake its CSR activities as recommended by the CSR Committee, through a registered trust or a registered society or Company established under Section 8 of the Companies Act 2013, pursuant to Section 135 of the Companies Act, 2013 and rules made thereunder.

COMPOSITION & GOVERNANCE OF CSR COMMITTEE

The Board of Directors of HCIN shall constitute a Corporate Social Responsibility Committee of the Board ("CSR Committee") consisting of at least three directors, as per the applicable provisions of the Act.

The Committee shall hold meetings as and when required, to discuss various matters relating to CSR Activity.

The CSR Committee shall –

- (i) Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval.
- (ii) Identifying and recommending CSR activities and budget to the Board for approvals.
- (iii) Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and applicable rules.
- (iv) Monitor implementation of CSR Policy from time to time
- (v) Submit the reports to the Board in respect of the CSR activities undertaken by the Company.

The CSR Policy as approved by the Board of HCIN shall be placed on the official website of HCIN and the contents of such Policy shall be disclosed in Director's Report.

CSR ACTIVITIES

For the purpose of meeting the requirements of applicable provisions of the Act, CSR activities conducted by HCIN has been categorised as follows:

- a. **Statutorily Recognised CSR Activity** i.e. the CSR activities as mentioned in Schedule VII of the Companies Act, 2013, as amended from time to time.
- b. **Other CSR Activity** i.e. any CSR activity either not mentioned in Schedule VII of the Act or not satisfying the eligibility criteria.

BUDGET ALLOCATION

The corpus for the purpose of carrying on the CSR activities would include the followings:

- a) 2% of the average Net Profit made by the Company during immediately preceding three Financial Years.

- b) any income arising there from.
- c) surplus arising out of CSR activities carried out by the company and such surplus will not be part of business profit of the company.

In case Company fails to spend such amount, the Board shall specify the reasons for not spending the amount in the Board report.

CSR Expenditure shall mean all expenditure incurred in respect of specific projects/programs relating to the approved CSR activities. CSR Expenditure shall not include expenditure on an item not in conformity or not in line with activities which fall within the purview of the CSR activities listed in Schedule VII. Further, CSR Expenditure shall not include Projects or programs or activities undertaken outside India.

CSR REPORTING & REVIEW

The Board in its Annual Report shall include the details of the CSR activities undertaken in the Financial Year. The CSR Committee shall provide a responsibility statement on the implementation and monitoring of the CSR Policy and that it is in compliance with CSR objectives of the Company.

The CSR Committee will prepare the Annual Report of the CSR activities stating clearly the resultant social impact and the gaps in implementation of the planned CSR activities will also be reported with necessary corrective actions.

The CSR Committee will review the Policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.